



## **STATEMENT**

### **In opposition to S.B. 955 An Act Implementing Provisions of the Budget Concerning Public Health**

**Connecticut General Assembly  
Public Health Committee  
March 18, 2015**

The MetroHartford Alliance and the Connecticut Insurance and Financial Services Cluster (CT IFS) offer this statement in opposition to S.B. 955 An Act Implementing Provisions of the Budget Concerning Public Health. S.B. 955 proposes to finance nearly \$9 million (\$8.8 million) of Department of Public Health (DPH) programs by taxing individual and employer health insurance premiums. These are the same insurance policies that are already subject to the state premium tax, ACA health insurance tax, Access Health CT assessment and other taxes. This shift in funding of DPH programs to the Insurance Fund will result in insurers paying the bill for these programs and passing along the increased costs in the form of higher premiums to customers. The additional costs contained in S.B. 955 come on the heels of the immunization fund assessment that has been levied on the industry in recent years and the \$3.2 million assessed last year to insurers to fund Connecticut's State Innovation Model (SIM) initiative. In total, as proposed, the Insurance Fund now calls for \$79.8 million in assessments in 2016 and \$81.3 million in assessments in 2017. While initiatives such as SIM or programs such as those at DPH may offer benefits to the state overall, it is only a targeted group of employers that are forced to pay the bill. It would be far more appropriate and equitable for these initiatives to be funded through a General Fund expenditure.

Financing these new initiatives through the Insurance Fund represents a significant departure from the original intent of the Insurance Fund and sets a bad precedent for the funding of state programs – all while increasing the burden on employers and their employees in the form of higher insurance premiums. The cost of doing business in Connecticut presents more than enough of a challenge to our state's employers without adding steadily increasing insurance bills to the equation.

The Alliance and CT IFS work tirelessly to promote Connecticut as the Insurance Capital of the World. According to the 2014 Connecticut Insurance Market Brief, we have the highest number of insurance jobs per capita in the United States. Connecticut's insurance companies and their highly talented and educated workforce are critical to the state's economic future and we strongly encourage our state's lawmakers to enact policies that will strengthen this industry and enhance its ability to compete and succeed in the global economy. In light of the importance of this industry, we respectfully suggest that state initiatives and programs be funded through the General Fund not the Insurance Fund.

We appreciate the opportunity to submit this testimony and encourage the members of the Public Health Committee to oppose S.B. 955.

### ***About The MetroHartford Alliance***

The MetroHartford Alliance serves as the region's economic development leader and the City of Hartford's Chamber of Commerce. Our investors include businesses of all sizes, health care providers, arts and higher education institutions as well as the municipalities of North Central Connecticut. Our mission is to ensure that the region competes aggressively and successfully for jobs, capital, and talent so that it thrives as one of the country's premier places for all people to live, play, work, and raise a family.

### ***About The Connecticut Insurance and Financial Services Cluster***

The Connecticut Insurance and Financial Services Cluster [CT IFS], formed in 2003, is a strategic corporate initiative of the MetroHartford Alliance that is designed to create a stronger IFS industry and a more robust economy in Connecticut. CT IFS is comprised of 28 corporate sponsors whose shared vision is to create competitive advantages in business attraction and retention, to assist with recruitment and education of a trained workforce, and to increase public awareness through advocacy. Leaders from business, state government, and academia collaborate to foster growth among all of the industry's segments.